

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 ABF-01 GAO-02 /024 R

DRAFTED BY EB/ISM:MDEWITT/A/BF/OAG:JHSOUTHERLAND

APPROVED BY EB/ISM:WCLENAHAN, ACTING

EUR/CE:KFLYNN

EUR/NE:DGOODMAN

EUR/WE:AHUGHES

A/BF/OAG:JHSOUTHERLAND

-----000628 282006Z /70

R 281843Z JUL 78

FM SECSTATE WASHDC

TO AMEMBASSY DUBLIN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY MADRID

INFO AMCONSUL FRANKFURT

UNCLAS STATE 190945

FRANKFURT FOR EDER, GAO

E.O. 11652:N/A

TAGS: AGAO, EMIN

SUBJECT: GAO REVIEW: "ASSESSMENT OF THE INCREASING
RELIANCE OF U.S. MANUFACTURERS ON FOREIGN PROCESSED
MATERIALS"

1. THE GAO HAS INFORMED THE DEPARTMENT THAT SUBJECT
REVIEW WHICH HAS BEEN IN PROGRESS AT U.S. GOVERNMENT
AGENCIES AND PRIVATE COMMERCIAL FIRMS, WILL BE BROADENED TO
INCLUDE TRAVEL TO SELECTED OVERSEAS POSTS. PURPOSE OF
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THESE VISITS WILL BE TO OBTAIN COMPARATIVE INFORMATION AS
TO WAYS FOREIGN GOVERNMENTS ARE INFLUENCING INVESTMENT
DECISIONS FOR MINING AND MINERAL PROCESSING FACILITIES IN
THE ALUMINUM, COPPER, FERROALLOY AND ZINC INDUSTRIES.

2. THE GAO TWO-MAN TEAM WILL BE SEEKING ANSWERS TO THE
FOLLOWING GENERAL QUESTIONS, RECOGNIZING NOT ALL QUESTIONS

APPLY TO ALL POSTS AND THAT MOST COUNTRIES ARE SIGNIFICANT PRODUCERS OF ONLY SOME OF THE METALS UNDER REVIEW:

1. HOW DO THE GOVERNMENTS VIEW THE FUTURE OF THE METALS/ MINERALS INDUSTRY? WHAT CHANGES HAVE OCCURRED IN RECENT YEARS? WHAT IS PLANNED FOR THE FUTURE ESPECIALLY REGARDING INCREASED METAL PROCESSING?
2. HOW DO COMPANIES OBTAIN FINANCING FOR MINING AND PROCESSING PROJECTS? WHAT HELP DOES THE GOVERNMENT PROVIDE?
3. DO THE GOVERNMENTS HAVE TAX POLICIES (DEPLETION ALLOWANCES, DEPRECIATION, AMORTIZATION, REBATES, ETC.) WHICH ENCOURAGE DEVELOPMENT IN THE MINING AND PROCESSING OF MINERALS?
4. WHAT ARE THE GOVERNMENTS' ATTITUDES CONCERNING EXPORT AND IMPORT TARIFFS, WITHIN THEIR COUNTRY AS WELL AS THOSE OF OTHER COUNTRIES AS THEY INFLUENCE INVESTMENT DECISIONS FOR METAL PROCESSING FACILITIES?
5. DO GOVERNMENT REGULATIONS CONSTRAIN FORMATION, SIZE, CORPORATE STRUCTURE, ETC. OF MINING VENTURES?
6. WHAT ENVIRONMENTAL STANDARDS MUST BE CONSIDERED BY COMPANIES ENGAGED IN MINING AND PROCESSING? HOW MUCH DO UNCLASSIFIED

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THEY COST? HOW ARE THEY PAID FOR?

7. WHAT STANDARDS CONTROL WORKER SAFETY? ARE THE STANDARDS IMPOSED BY GOVERNMENT OR LABOR UNIONS? HOW COSTLY ARE THEY? WOULD THEY LIKELY INFLUENCE INVESTMENT DECISIONS?
8. HOW HAS ENERGY SHORTAGES AND HIGHER COSTS AFFECTED GROWTH IN THE MINERALS PROCESSING INDUSTRY? HOW DOES ENERGY SUPPLY AFFECT DECISIONS TO EXPAND OR BUILD PROCESSING FACILITIES? WHAT HAVE THE GOVERNMENTS DONE TO DEVELOP ENERGY SOURCES FOR PROCESSING?
9. HOW DO GOVERNMENTS AND BUSINESSES RESPOND TO FLUCTUATIONS IN DEMAND? HOW DO SOCIAL OR TRADE POLICIES INFLUENCE PRODUCTION?

PLEASE IDENTIFY ANY AIRGRAMS OR OTHER MATERIALS PREPARED BY THE POST DEALING WITH ISSUES MENTIONED ABOVE. TO FACILITATE THE FIELD WORK, IT WOULD BE APPRECIATED IF RESPONSES COULD BE COMPILED AND AVAILABLE TO GAO REPRESENTATIVES UPON ARRIVAL.

3. THE GAO TEAM WILL WANT TO MEET WITH APPROPRIATE EMBASSY OFFICERS, OFFICIALS OF HOST GOVERNMENT AND REPRESENTATIVES OF COMMERCIAL PROCESSING FACILITIES. SUGGESTED NAMES OF OFFICIALS AND ORGANIZATIONS GAO AUDITORS WILL WANT TO CONFER WITH AND SPECIFIC QUESTIONS FOR EACH COUNTRY WILL BE PROVIDED SHORTLY. THE GAO IS AWARE THAT CONTACTS WITH FOREIGN OFFICIALS ARE AT THE DISCRETION OF THE AMBASSADOR, TO BE MADE BY THE EMBASSY AND EMBOFF TO

ACCOMPANY, IF FEASIBLE.

4. NAMES OF TEAM MEMBERS, TRAVEL PLANS, SECURITY CLEARANCES AND HOTEL REQUIREMENTS WILL BE CABLED BY THE UNCLASSIFIED

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FRANKFURT GAO REGIONAL BRANCH OFFICE AS SOON AS THIS INFORMATION BECOMES AVAILABLE.

5. SUBJECT TO POST'S CONCURRENCE, THE GAO TEAM WOULD LIKE TO VISIT ADDRESSEE POSTS IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

DUBLIN - SEPTEMBER 18-22

OSLO - SEPTEMBER 18-22

STOCKHOLM - SEPTEMBER 25-29

BONN - SEPTEMBER 25-29

BRUSSELS - OCTOBER 2-6

MADRID - OCTOBER 2-6

IF EMBASSY CONCURS, THE GAO WOULD APPRECIATE RECEIVING THE NAME OF THE EMBASSY OFFICER WHO WILL SERVE AS PROJECT OFFICER.

6. IT IS THE DEPARTMENT'S POLICY TO BE OF ASSISTANCE TO THE GAO AND TO BE AS HELPFUL AS POSSIBLE WITHIN THE GUIDELINES OF 4 FAM 930-934. ANY QUESTIONS OR PROBLEMS THAT SHOULD ARISE DURING THE COURSE OF THE VISIT, PARTICULARLY REGARDING GAO ACCESS TO AND/OR RETENTION OF DEPARTMENT FILES OR DOCUMENTS SHOULD BE REFERRED TO THE DEPARTMENT.

7. GAO TEAM MEMBERS WILL BE PLEASED TO BRIEF APPROPRIATE EMBASSY OFFICERS ON THE RESULTS OF VISIT, IF DESIRED. PLEASE ADVISE. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GAO AUDITS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE190945
Document Source: CORE
Document Unique ID: 00
Drafter: MDEWITT/A/BF/OAG:JHSOUTHERLAND
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780310-0793
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978078/aaaaaguf.tel
Line Count: 165
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b87ce378-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2069436
Secure: OPEN
Status: NATIVE
Subject: GAO REVIEW: \"ASSESSMENT OF THE INCREASING RELIANCE OF U.S. MANUFACTURERS ON FOREIGN PROCESSED MATERIALS\"
TAGS: AGAO, EMIN, US, EI
To: DUBLIN OSLO MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b87ce378-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014